

Message Text

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ACTION EB-08

INFO OCT-01 AF-08 ARA-10 EUR-12 EA-09 NEA-10 ISO-00

CIAE-00 COME-00 DODE-00 DOTE-00 FMC-02 INR-07

NSAE-00 CG-00 DLOS-09 OES-06 ERDA-07 AID-05

CEA-01 FEAE-00 FPC-01 H-02 INT-05 L-03 NSC-05

OMB-01 PM-04 USIA-15 SP-02 SS-15 STR-04 TRSE-00

ACDA-10 /162 W

-----301728Z 053419 /43

P R 301423Z MAR 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRITY 2112

INFO AMEMBASSY OTTAWA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY CANBERRA

AMEMBASSY COPENHAGEN

AMEMBASSY ISLAMABAD

AMEMBASSY JAKARTA

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY MADRID

AMEMBASSY MEXICO

AMEMBASSY MONROVIA

AMEMBASSY MOSCOW

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY PANAMA

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY TOKYO

AMEMBASSY THE HAGUE

AMEMBASSY STOCKHOLM

AMEMBASSY TEHRAN

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E.O. LL652: N/A

TAGS: EWWT, ENRG

SUBJECT: REACTIONS AT SEATRADE CONFERENCE TO
CONGRESSMAN MURPHY'S REMARKS

REF: LONDON 5111

SUMMARY: REFTEL REOORTED REMARKS OF CONGRESSMAN JOHN MURPHY, CHAIRMAN OF THE HOUSE MERCHANT MARINE AND FISHERIES COMMITTEE ON MARCH 23 AT LONDON CONFERENCE ON MONEY AND SHIPING SPONSORED BY SEATRADE MAGAZINE. INTERNATIONAL AUDIENCE OF EXECUTIVES FROM SHIPOINQ, SHIPBUILDING AND BANKING RESOONDED CRITICALLY TO MURPHY'S STATEMENTS ON CARQO "EQUITV", STRESSING DANGER TO WORLD TRADING SYSTEM FROM REPRECUSIONS OF ADOPTION OF CARGO PREFERENCES BY U.S. AUDIENCE FOCUSED ON PRECEDENT CREATION AND PRACTICAL IMOLICA-TIONS OF U.S. OIL CARGO PREFERENCES. REMARKS ON MARINE POLLUTION CONTROL STRESSED OROBLEMS OF INCREASED UNILATERALISM. END SUMMARY.

L. WITH ONE EXCEPTION ALL SPEAKERS OBJECTED TO U.S. ADOPTION OF OIL CARQO PREFERENCE LEGISLATION. ONE GERMAN SHIPPING COMPANY EXECUTIVE SAID THAT IF OIL CAROO PREFERENCE LEGISLATION WOULD STRENGTHEN THE

U.S. AND ITS CAPABILITY TO MAINTAIN WORLD SECURITY AND WERE INTRODUCED IN A SENSIBLE WAY, OTHER COUNTRIES OF THE WORLD WOULD ACCEPT IT. ALL OTHERS WHO SOOKE, HOWEVER, SAW U.S. ADOPTION OF OIL CARGO OREFERENCES AS A REVERSAL OF THE TRADITIONAL U.S. STANCE IN SUPPORT OF AN OPEN WORLD TRADING SYSTEM, AND OREDICTED RETALIATORY ACTIONS BY MARITIME COUNTRIES. NAESS OF INTERTANKO OINTED OUT THAT THE MARITIME COUNTRIES OF EUROPE HAVE A NEQATIVE TRADE BALANCE WITH THE U.S., AND THAT FOR CONQRESSMAN MURPHY TO SOEAK OF RESTORING UNCLASSIFIED

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THE BALANCE IN SHIOPING SERVICES AS "CARQO EQUITV" IS TO IQNORE OTHER TRADE. EUROPE COULD WELL BEOIN INSISTINQ ON "QRAIN EQUITY" OR "AIROLANE EQUITY".

2. OTHER POINTS MADE WERE (A) THAT U.S. ESTABLISHMENT OF OIL CARGO PREFERENCES AT THIS TIME WOULD SERIOUSLY EXACERBATE THE PRESENT WORLD-WIDE TANKER SUROLUS BV THE BUILDINQ OF ADDITIONAL TANKERS IN AMERICAN YARDS; (B) THAT THE U.S. CLAIM ON CARRIAGE OF OIL CARQOES WOULD HAVE A CONTAGEOUS EFFECT - ARAB STATES WILL WANT

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ACTION EB-08

INFO OCT-01 AF-08 ARA-10 EUR-12 EA-09 NEA-10 ISO-00

CIAE-00 COME-00 DODE-00 DOTE-00 FMC-02 INR-07

NSAE-00 CG-00 DLOS-09 OES-06 ERDA-07 AID-05

CEA-01 FEAE-00 FPC-01 H-02 INT-05 L-03 NSC-05

OMB-01 PM-04 USIA-15 SP-02 SS-15 STR-04 TRSE-00

ACDA-10 /162 W

-----301727Z 055935 /43

P R 301423Z MAR 77

FM AMEMBASSY LONDON

TO SECSTATE WASHDC PRIORITY 2113

INFO AMEMBASSY OTTAWA

AMEMBASSY ATHENS

AMEMBASSY BONN

AMEMBASSY CANBERRA

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AMEMBASSY ISLAMABAD

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TO CARRY A SHARE OF THEIR OIL EXPORTS AT THE CARQO
RATES ESTABLISHED BY THE U.S. CARRIERS; AND (C) THAT
SPECIAL PROVISIONS FOR RECAPTURE OF BENEFICIALLY OWNED

TANKERS TO THE U.S. FLEET.SUCH AS CONGRESSMAN MURPHY INTENDS TO INTRODUCE, WILL NOT SOLVE THE PROBLEM - REQUIREMENTS FOR U.S. CREWS ON THOSE TANKERS WILL ALSO HAVE TO BE WAIVED.

3. SOEAKERS CONTENDED WITH MUROHY'S APORAISAL OF THE SHIPPINQ MARKET AND CLAIMED THERE WAS VIRTUAL FREE TRADE IN THE BULK CARGOES AREA. THEY FEARED THAT U.S. CARGO PREFERENCES WOULD EXTEND FROM OIL TO OTHER CARGOES, AND MURPHY APPEARED TO CONFIRM THEIR FEARS. A NORWEGIAN SPEAKER ASKED IF THE ECONOMIC AND SECURITY GOALS MURPHY SOUGHT FOR THE U.S. COULD NOT BE ACHIEVED THROUGH OTHER MEANS INCLUDINQ POSITIVE ORQANIZATIONAL MEASURES WITHIN NATO, WHERE HIS COUNTRY HAD ACCEPTED A DEPENDENCE ON THE U.S. A CONCERN FREQUENTLY STATED WAS THAT THE U.S. PROTECTIONIST MOVE WOULD ELICIT A HOST OF OTHER PROTECTIONIST MEASURES IN OTHER COUNTRIES

/

AND IN TURN IN THE U.S. WHICH WOULD SEND THE ALREADY FRAGILE WORLD ECONOMY INTO A RECESSIONARY SOIRAL.

4. REACTION TO PROPOSED INCREASES IN U.S. MARINE POLLUTION REQULATION WAS TO CAUTION AQAINST "DANQEROUS FOLLY" OF UNILATERALISM, PARTICULARLY WHEN IT IS LINKED WITH PROTECTIONISM AS IN THE MAGNUSON-HOLLINGS BILL IN THE SENATE. FRANK WISWALL OF LIBERIAN MARINE SERVICES INC., SPEAKINQ ON THE PROBLEMS OF POLLUTION REQULATION, SUGGESTED THAT PRESENT U.S. EFFORTS AT REGULATION WERE OVER ZEALOUS. HE CITED A RECENT U.S. NATIONAL ACADEMY UNCLASSIFIED

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OF SCIENCE STUDY CONCLUDING THAT 96 PERCENT OF ALL MARITIME POLLUTION COMES FROM THE LAND, INCLUDING TWO-THIRDS OF ALL MARINE OIL POLLUTION. IN RESOECT TO OOLLUTION FROM VESSELS, HE URGED U.S. TO PUT ITS EFFORTS INTO DEVELOPING INTERNATIONAL ACCEPTANCE OF POLLUTION STANDARDS AND A STRENGTHENING OF FLAG STATE REGULATION AND PORT STATE INSPECTION.

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Message Attributes

Automatic Decaptioning: X
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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment:
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Disposition Event:
Disposition History: n/a
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Original Previous Classification: n/a
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Review Transfer Date:
Review Withdrawn Fields: n/a
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Secure: OPEN
Status: NATIVE
Subject: REACTIONS AT SEATRADE CONFERENCE TO CONGRESSMAN MURPHY'S REMARKS
TAGS: EWWT, ENRG, (MURPHY, JOHN)
To: STATE
Type: TE
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